

Public Scoping Report

Supplemental Environmental Impact Statement Gulf of Alaska Rationalization

Presentation to the North Pacific Fishery Management Council

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Presented by NMFS Alaska Region Staff



Kodiak Harbor: NMFS

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Overview

This report summarizes public comments received through the public scoping process for the Supplemental Environmental Impact Statement (SEIS) on Gulf of Alaska (GOA) rationalization of the groundfish fisheries. It also provides background information on the SEIS and Public Scoping Process. On May 29, 2002 NMFS initiated public scoping for the SEIS. The Council and NMFS accepted public scoping comments on this proposed action through November 15, 2002. The Council and NMFS held a series of eight public scoping meetings to gather additional information from August through October in Anchorage, Cordova, Homer, King Cove, Kodiak, Petersburg, Sand Point, and Seattle. The Council and NMFS advertised the meeting locations, announced them in the Federal Register, and provided the public with background documents at each of the scoping hearings and made them available through the NMFS website. The public was invited to provide comments on the need for action, scope, range of alternatives, and issues that should be addressed in GOA Rationalization SEIS.

Summary of Public Scoping Comments

Approximately 113 individuals participated in the public scoping hearings, and 17 written comments were submitted to NMFS. A more detailed description of the public scoping documents is available in the **Public Scoping Hearing Summaries** and **Written Public Scoping Summaries** appendices later in this document. Briefly summarized, the comments received addressed the following key issues.

Proposed Action:

Most commenters agreed that changes in the management of GOA groundfish fisheries were necessary. There was varying support for specific management measures, but very limited support for maintaining the existing management structure. Many participants suggested that rationalization of the fisheries was necessary. This view was most strongly voiced during the Seattle and Kodiak public hearings. At the King Cove and Sand Point public hearings there was limited support for broadly changing existing management. There was limited support for changing management of groundfish fisheries within Southeast Alaska at the Petersburg public hearing. Fifteen of the written comments supported some form of modification, specifically rationalization. One comment was neutral on the specific approach but supported some changes to the management structure. One comment opposed rationalization but supported modifying the existing management system.

Scope:

The comments favored rationalization for all groundfish fisheries in the Gulf of Alaska West of 140 degrees W. longitude. There was no clearly expressed interest in rationalizing groundfish fisheries East of 140 degrees, also known as the Southeast Outside (SEO) management area during any of the public hearing or in any of the written comments. Most commenters at the public hearings supported rationalizing all groundfish fisheries. Some commenters at the public hearings felt that only “target” species should be considered in the rationalization of groundfish fisheries. There were mixed views on how to address the management of non-target or non-FMP species, though there appears to be some support for placing those species on bycatch only status, or requiring those species to be placed in the FMP before harvesting would be allowed. Some commenters at the public hearings suggested that “underutilized” species—those species for which the TAC has not been historically taken—could be divided into rationalized and open-access, or limited entry fisheries. Others suggested that these species

should be fully rationalized. Generally, there was concern in some of the communities, particularly Sand Point, King Cove, and Cordova that underutilized species should be available to participants who may not have had catch history in those species. In Sand Point and King Cove, Cordova, and to a more limited extent in Kodiak, there was some support for different management approaches in different management areas of the GOA. There was less support, or some opposition to this approach in several of the other communities such as Homer, Petersburg, and Seattle. Most written comments supported incorporating all species West of 140 degrees longitude in a rationalization program. One comment opposed rationalization in general.

Alternatives:

During the public hearings, and in the draft public scoping documents, NMFS and Council staff reviewed some of the potential alternatives that have been suggested, including: rights-based management programs such as individual fishing quotas (IFQs); cooperatives similar to those established under the AFA; “two-pie” management with linked IFQ and individual processor quota shares (IPQs), and mechanisms that might regionalize the catch of groundfish species. The staff also reviewed potential modifications to the license limitation program (LLP), and status quo management. While the public did provide input on the specific elements of these alternatives, they did not indicate that there were additional alternatives that should be considered. Several of the written comments and the elements and options produced by the Council’s GOA Work Group committee provided specific detail on the rationalization and LLP alternatives.

Support for a rights-based management alternative was strongest at the Seattle, Kodiak, and Homer public hearings. In Seattle and Kodiak support was strongest for some form of cooperative management alternative. There was greater support for a “one-pie” or harvester cooperative than a “two-pie” cooperative. In Homer most of the support was for an IFQ management alternative. In Petersburg, those participating favored cooperative management outside of the SEO regulatory area. At the Cordova meeting, there was support for some form of regional allocation alternative to communities in Prince William Sound, but not necessarily through IFQ or cooperative management. There was little support for a rationalization alternative in Sand Point or King Cove, and concern about the potential adverse effects of rationalization expressed during the Anchorage public scoping meeting. Participants in King Cove supported minor changes in the LLP to eliminate latent licenses and limit harvests by larger vessels. Participants in Sand Point supported measures that would establish a “fair start” provision for all size classes of vessels in the Pacific cod fishery in the Western GOA management area. This was seen as a more immediate concern than rationalizing the fisheries. There was limited support for an IFQ rationalization alternative.

Cooperative management was the most frequently supported of the rationalization alternatives. Most public commenters supported this alternative because it was generally perceived that this alternative would provide the greatest flexibility to address management needs and avoid potentially limiting allocations of small blocks of QS to individual vessels. In particular, this issue and support for cooperatives was presented by C/P representatives in Petersburg and Seattle. Participants in Kodiak supported this approach partially based on experiences under the American Fisheries Act (AFA).

There was generally strong opposition to the “two-pie” alternative. Most opposition centered around concerns that “two-pie” management would undermine the negotiating position of fishermen for prices, and limit the ability to develop alternative processing markets, particularly smaller value-added operations. Generally, the limited support for this alternative came from processor representatives.

Opposition was strongest in Sand Point, King Cove, Homer, and Anchorage. There was a general lack of support for this alternative in Petersburg. There was limited support for a “two-pie” alternative in Kodiak, but a more general concern that processors be considered in a rationalization approach without specifying the mechanism that should be used. There was also limited support for “two-pie” management in Cordova, but only for pollock. The majority of participants in Seattle opposed the “two-pie” alternative, or expressed concern about the adequacy of past economic analyses assessing the impacts of this alternative. Others were more supportive and advocated the use of “two-pie” management as a means to incorporate the economic interests of processors.

Written comments were mixed on the use of “two-pie.” Several comments noted that historical processors should be recognized either by creating a closed class of processors in a cooperative, awarding IPQ, or creating regional landing requirements. One processor opposed IPQs due to concerns about the ability of smaller processors to effectively compete with larger more well-established companies on the market. One commenter noted that rationalizing both harvesting and processing will maximize the potential value of fishery resources.

The public held numerous opinions about incorporating community concerns in a rationalization program. Comments during the public hearing in Cordova advocated establishing a regional TAC for use by communities in Prince William Sound. Tribal representatives in Anchorage supported allocations of QS directly to tribal governments if a rationalization alternative is selected. However, in most other public hearings there was limited support for direct allocations to communities. Commenters in Homer, Kodiak, and Petersburg voiced limited support for community allocations. Some noted that cod and pollock are perishable products and are not likely to undergo the same shifts in markets as observed in the halibut and sablefish fishery and would not require separate community allocations. Others were opposed to the creation of a CDQ-like programs or community allocations in the GOA citing concerns about reallocating resources and the administrative costs of such programs. Generally, commenters were concerned that community allocations are not efficient use of resources where local fishermen participate in nearshore fisheries. One commenter in Petersburg suggested reallocation or modification to the State water Pacific cod fishery could address some of these concerns. Similar concerns were raised in public comments in Sand Point, but there was support for the allocation of community quota shares to communities of underutilized rockfish and flatfish to provide some protection or mechanism for participation for those communities that have not participated in the past. In Seattle, the public was generally opposed to community allocations. Representatives of the C/P fleet opposed their incorporation into a community allocation citing the inshore/offshore Pacific cod as an adequate reallocation. There was some support for the Canadian Groundfish Development Authority as an example of allocating QS to communities and considering a direct allocation to communities or a regional landing requirement. Commenters in King Cove suggested a portion of the TAC or quota share could be allocated to communities. Individuals indicated that this could be accomplished by allocating to vessels less than 58 feet length overall (LOA) and allow those vessels to then participate under open access.

Written commenters were generally opposed to the allocation of community QS. Several commenters were supportive of regional landing requirements as a means to address community concerns. However, several commenters noted that direct allocations would harm existing fishermen, be too small to economically fish, and would not benefit communities. One commenter provided several potential mechanisms for allocating community QS and supported these measures to address National Standard #8 in the Magnuson-Stevens Act which addresses communities.

There was little support for modifying the LLP during the public hearings. Commenters in King Cove did support this option to the extent that it could limit harvests of larger vessels in state waters during the federal fishery – the parallel fishery. Some comments received during the Sand Point hearing suggested that removing “latent” licenses from the LLP, would address several concerns about limiting new entry into the fisheries. Generally, however, comments received during the rest of the public hearings asserted that modifying the LLP would not address the long-term concerns of the fishery and would not improve the ability of existing operators to remain competitive. Commenters in Cordova noted that most vessels participated in the parallel fishery without an LLP and opposed additional restrictions that would limit them from future participation.

Written commenters also indicated limited support for modifying the LLP. There was some support for modifying the LLP from the freezer-longline C/P sector as an alternative for that sector of the fishery in written comments received. One commenter noted that modifying the LLP would not require additional legislative changes that a rationalization program might require.

Issues:

Key issues raised by the public included the following. The issue that was raised fairly consistently for additional analysis was the need to address management of the parallel fishery and how any rationalization or LLP modification alternative would be incorporated into state management of these waters.

Throughout the public meetings and in several of the written comments, the public expressed concern that GOA rationalization proceed rapidly. Numerous individuals advocated proceeding quickly with rationalization to address current problems in the groundfish fishery.

Several commenters in public meetings in Homer, Anchorage, and Seattle and written commenters advocated an expanded analysis of the potential effects of “two-pie” management and expressed concern about the analytical approach used in the Crab Rationalization EIS to assess the economic impacts of PQS allocation.

Representatives from the C/P sector presented concerns in the Petersburg and Seattle meeting that the C/P sector needs to be more fully integrated into the analytical process and that rationalization for this sector may differ substantially from the shoreside sector.

Individuals at the Homer and Seattle meeting and one written comment requested an analysis of the effects of modifying the fee structure, and coverage requirements for observers if a rationalization program was developed. There was a more specific request to examine expanding cost recovery to a broader portion of the fleet.

Background to the Initiation of the SEIS Process

Over the past three years, the North Pacific Fishery Management Council (Council) has discussed various policies and management measures that would increase the economic efficiency of the GOA groundfish fisheries. The Council began considering these new management policies at the request of the GOA groundfish industry to address its increasing concerns about the economic stability of the fisheries. Some of these concerns include changing market opportunities and stock abundance, increasing concern about the long-term economic health of fishing dependent communities, and the limited ability of the fishing industry to respond to environmental concerns under the existing management regime. Fisheries conducted under such policies generally are considered more “rational” than other fisheries because capital investment in “rationalized” fisheries tends to be in balance with the amount of fish that can be conservatively harvested. Rationalization is typically accomplished through the establishment of transferable harvesting privileges or other market-based systems for allocating fishery resources. Rationalization may provide additional opportunities to modify fishing operations to respond to environmental concerns and reduce the incentive to fish during unsafe conditions.

These initial discussions to “rationalize” the GOA groundfish fisheries did not result in the Council initiating a formal analysis to consider changes to rationalize GOA groundfish. At its April, 2002 meeting, the Council directed the National Marine Fisheries Service (NMFS), Alaska Region to initiate an SEIS that would examine the GOA groundfish fisheries authorized under the FMP, the extent of the action, the range of alternatives that may improve the economic stability to the various participants in the fishery, and the types of impacts that rationalization may have. During this meeting the Council also adopted a Problem Statement and Objectives for Gulf Rationalization (see Future Action section for more detail). The Council requested NMFS to proceed with an SEIS. The National Environmental Policy Act (NEPA) requires the preparation of an EIS if a proposed federal action has the potential to significantly affect the quality of the human environment. The human environment includes the natural and physical environment and the relationship of people with that environment. Because rationalization is intended to dramatically change the economic conditions of Gulf fisheries it would be expected to have significant impacts, presumably beneficial, on the economic and social conditions in the human environment.

On May 29, 2002, a notice of intent (NOI) to prepare an SEIS was published in the Federal Register. This notice informed the public that the Council and NMFS will conduct an SEIS to examine the potential scope, alternatives, and effects of this proposed action. The NOI also began the formal public scoping process. Public scoping is designed to solicit input from the public at an early stage in the SEIS process to help NMFS and the Council determine the issues of concern and the appropriate range of alternatives in the SEIS.

Initiating the SEIS

During the Council’s April 2002, NMFS staff presented the Council with a brief summary as to why it may be appropriate to initiate an SEIS for GOA rationalization. Specifically, NMFS staff noted that over the past 3 years, the Council dedicated considerable time and energy to the discussion of Gulf Rationalization. This included the Council approving a Problem Statement, a Vision Statement, the formation of three separate committees, and at least 2 sets of “control dates” for determining eligibility for the inclusion of catch history in any future program.

All of these actions indicated that the Council believes that there is a purpose and need to consider actions that may result in the rationalization of Gulf of Alaska groundfish fisheries. Simply, this series of actions indicate that the Council proposes to take some action on Gulf rationalization. The particular form and content of this action has not yet been determined. The formal request by the Council in April 2002, to publish a notice of intent to prepare an SEIS served as an indication that the Council wished to initiate the formal NEPA process to analyze the potential effects of GOA rationalization.

Supplemental Environmental Impact Statement vs. Environmental Assessment

The presentation by NMFS staff at the Council's April 2002, meeting recommended proceeding with an SEIS rather than conducting an environmental assessment (EA) to determine if an SEIS is necessary. An EA may be prepared first to determine if a proposed action is likely "to significantly affect the human environment (40 CFR 1508.27)." Based on the initial discussions of the possible approaches to rationalization, it appeared likely that rationalization could significantly affect the human environment. In particular, rationalization is likely to result in the following changes to the existing management regime:

1. "affects public health and safety (1508.27(b)(2))"

A rationalization program would alter the means, methods, and timing of fishing which could affect safety. Other rationalization programs have had an effect on human safety and there is a likelihood it could occur in this case.

2. "the effects on the quality of the human environment are likely to be highly controversial (1508.27(b)(4))."

There has already been considerable controversy over this issue (e.g., "one-pie" vs. "two-pie" cooperatives) and there has been considerable controversy over past rationalization programs (e.g., IFQ Program, AFA, and the ongoing crab rationalization efforts).

3. "the possible effects on the human environment are highly uncertain or involve unique or unknown risks (1508.27(b)(5))."

It is not clear what effects rationalization may have. These effects may be similar to other rationalization programs. However, depending on the particular program developed the effects on the human environment could be significantly different from past rationalization programs. Numerous fisheries would be affected by this action and the potential direct, indirect, and cumulative effects of rationalization are unknown at this time.

Because rationalization is intended to dramatically change the economic conditions of Gulf fisheries it would be expected to have significant impacts, presumably beneficial, on the economic and social conditions in the human environment. At this time, it is reasonable to assume that a rationalization program may have effects on the physical as well as the social and economic components of the human environment. In any case, these potential effects are uncertain, and it is difficult to conclude that this action would not have a significant impact on the economic, social, and physical components of the human environment.

4. “Environmental impact statements may be prepared, and are sometimes required, for broad Federal actions such as the adoption of new agency programs or regulations. Agencies shall prepare statements on broad actions so that they are relevant to policy and are timed to coincide with meaningful points in agency planning and decisionmaking (1502.4).”

Rationalization could completely change the existing management regime for GOA groundfish. It would likely represent the adoption of new agency programs and regulations. Rationalization would represent a new management tool that is expected to improve the ability of the industry and NMFS to meet existing conservation management goals, and may provide the ability to establish new management measures for conservation.

Based on these factors, NMFS staff recommended and the Council agreed that preparation of an EA would likely result in a finding that rationalization could result in the need to prepare an SEIS. Initiating an SEIS would avoid the potential of producing two analytical documents. Additionally the SEIS process provides a formal opportunity for public scoping to

The Public Scoping Process

Public Scoping officially began with the publication of the NOI on May 29, 2002 and the request for written comments. The Council on Environmental Quality (CEQ) NEPA Regulations require that public scoping process meet certain requirements. Efforts made to meet these requirements include:

Invite affected federal, state, and local agencies, Indian tribes, project proponents, and other interested persons to participate in the EIS process.

- NMFS published the NOI and requested written comments. Additionally, NMFS and Council staff conducted eight public hearings throughout Alaska, and Seattle, Washington to provide oral comments on GOA Rationalization (see Public Scoping Hearing section for additional information).
- The United States Fish and Wildlife Service (USFWS), United States Coast Guard (USCG), and Alaska Department of Fish and Game (ADF&G) were specifically invited to participate in the SEIS process by letter on July 15, 2002. These agencies may have special expertise on GOA rationalization. All three agencies indicated an interest in participating as consulting agencies in the SEIS.
- NMFS specifically invited tribal governments to participate in the public scoping process. On June 5, 2002, we sent a letter to the 225 federally recognized tribes in Alaska notifying them of the public scoping process and requesting their input. After no responses were received, we sent a second letter on October 11, 2002 again inviting tribal governments in Alaska to participate and specifically them to participate in a public scoping hearing in Anchorage on October 25, 2002. This hearing was designed to facilitate tribal participation by being held during the annual Alaska Federation of Natives convention being held in Anchorage during October 22-26, 2002. NMFS also published a notice in the Federal Register on October 23, 2002 (67 FR 65092) specifically inviting tribal governments to participate in this public scoping meeting. Members of tribal governments attended the Anchorage public scoping meeting.

Determine the potential significant environmental issues to be analyzed in depth in the SEIS

- The eight public hearings and written comments received helped define those potential issues. In addition, guidance from the Council's GOA Work Group helped assist the public by providing an additional opportunity for comments. The work products of the GOA Work Group have been incorporated as written comments to the public scoping process.

Identify and eliminate issues determined to be insignificant or addressed in other documents.

- At this time, insignificant issues have not been addressed, but may be through the Council process. This SEIS will "teir-off" of the Draft Programmatic Supplemental Environmental Impact Statement (DPSEIS) which contains an extensive analysis of issues related to the environmental conditions in the GOA. We have not yet determined which specific elements that will be drawn from this DPSEIS. Essential Fish Habitat (EFH) issues are addressed by the SEIS for EFH, and portions of that document may be incorporated into the GOA Rationalization SEIS.

Allocate assignments among the lead agency and cooperating agencies regarding preparation of the SEIS, including impact analysis and identification of mitigation alternatives.

- At this point specific tasks for the cooperating agencies have not been determined. NMFS is the lead agency and along with the Council will conduct the majority of the analysis. Special expertise by ADF&G on state water fisheries, USF&W on seabirds and marine mammals, and USCG on enforcement may be incorporated into this analysis.

Identify related environmental documents being prepared

- Thus far, the DPSEIS, EFH SEIS, and Crab Rationalization EIS have been identified as potentially related documents.

Identify other environmental review and consultation requirements.

- The SEIS will also address the suite of review requirements that are typically required for all Council actions that may affect the human environment which may include the requirements of:
 - Endangered Species Act (ESA)
 - Marine Mammal Protection Act (MMPA)
 - Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act)
 - Regulatory Flexibility Act (RFA)
 - Consolidated Appropriations Act of 2001 (Pub. L. No. 106-554)
 - Coastal Zone Management Act (CZMA)
 - Administrative Procedure Act (APA)
 - Paperwork Reduction Act of 1995 (PRA)
 - Executive Order (E.O.) 12866: Regulatory Planning and Review
 - Executive Order (E.O.) 13084: Consultation and Coordination with Indian Tribal Governments
 - Executive Order (E.O.) 12898: Environmental Justice
 - Executive Order (E.O.) 13132: Federalism

Public Scoping Hearings – Selection of Areas and Times

NMFS staff selected the locations for the public hearings based on a variety of factors, including: (1) the level of participation of these communities in the GOA groundfish fisheries in terms of harvests, number of vessels, and port landings; (2) the participation of members or representatives from these communities in past Council discussions on groundfish rationalization; (3) the composition of the Council's GOA Work Group which reflects the various interest groups, and geographic representation that has participated in the GOA rationalization process; (4) suggestions from the GOA Work Group; (5) the desire to provide access to the SEIS process to fishermen in remote locations who do not typically participate in regularly scheduled Council meetings in Anchorage and Seattle; and (6) to facilitate participation by tribal governments in communities where tribal members are known to be participants in the GOA groundfish fisheries. The selection of meeting locations and dates were presented to the GOA Work Group for comment and feedback. NMFS staff contacted fishery or municipal representatives in each of the communities except Anchorage and Seattle to determine the appropriate location and timing of the meetings. NMFS staff also reviewed both federal and state managed fishery seasons in the meeting locations to minimize potential conflicts with those seasons.

Meetings were scheduled and held at the following times and locations (Box 1). The Anchorage meeting was delayed several hours due to weather delays for key staff, but all participants attending at the regularly scheduled time were notified and attended at the later time. The comments received during the public scoping hearings were summarized and are attached at the end of this scoping report (See Appendix A). The specific locations and number of participants at each meeting are shown in Figure 1.

BOX 1: Public Scoping Meetings for GOA Rationalization SEIS

<u>Day</u>	<u>Time</u>	<u>City</u>	<u>Location</u>
August 17	9:00 a.m. - 12:00 noon	Sand Point, AK	Aleutians East Borough Office, 100 Mossberry Lane
August 18	9:00 a.m. - 12:00 noon	King Cove, AK	King Cove Harbor House, 100 Harbor Road
August 23	1:00 p.m. - 4:00 p.m.	Kodiak, AK	Fishery Industrial Technology Ctr., 118 Trident Way
September 16	5:00 p.m. - 8:00 p.m.	Cordova, AK	Cordova City Library Meeting Room, 622 First Street
September 24	2:00 p.m. - 5:00 p.m.	Homer, AK	Best Western Bidarka Inn, 575 Sterling Hwy
September 26	3:00 p.m. - 6:00 p.m.	Petersburg, AK	City Council Chambers, 12 Nordic Drive
October 1	6:00 p.m. - 9:00 p.m.	Seattle, WA	Doubletree Hotel–Seattle Airport, 18740 Pacific Hwy.
October 25	1:00 p.m. - 4:00 p.m.	Anchorage, AK	Hilton, Anchorage, 500 West Third Avenue

A timeline of the actions taken under public scoping is provided in Figure 2.

Written Comments

The written comments on public scoping are attached at the end of this report (See Appendix B). In addition to these comments, the products of the GOA Work Group are also considered part of the scoping comments. That information is being presented as a separate report.

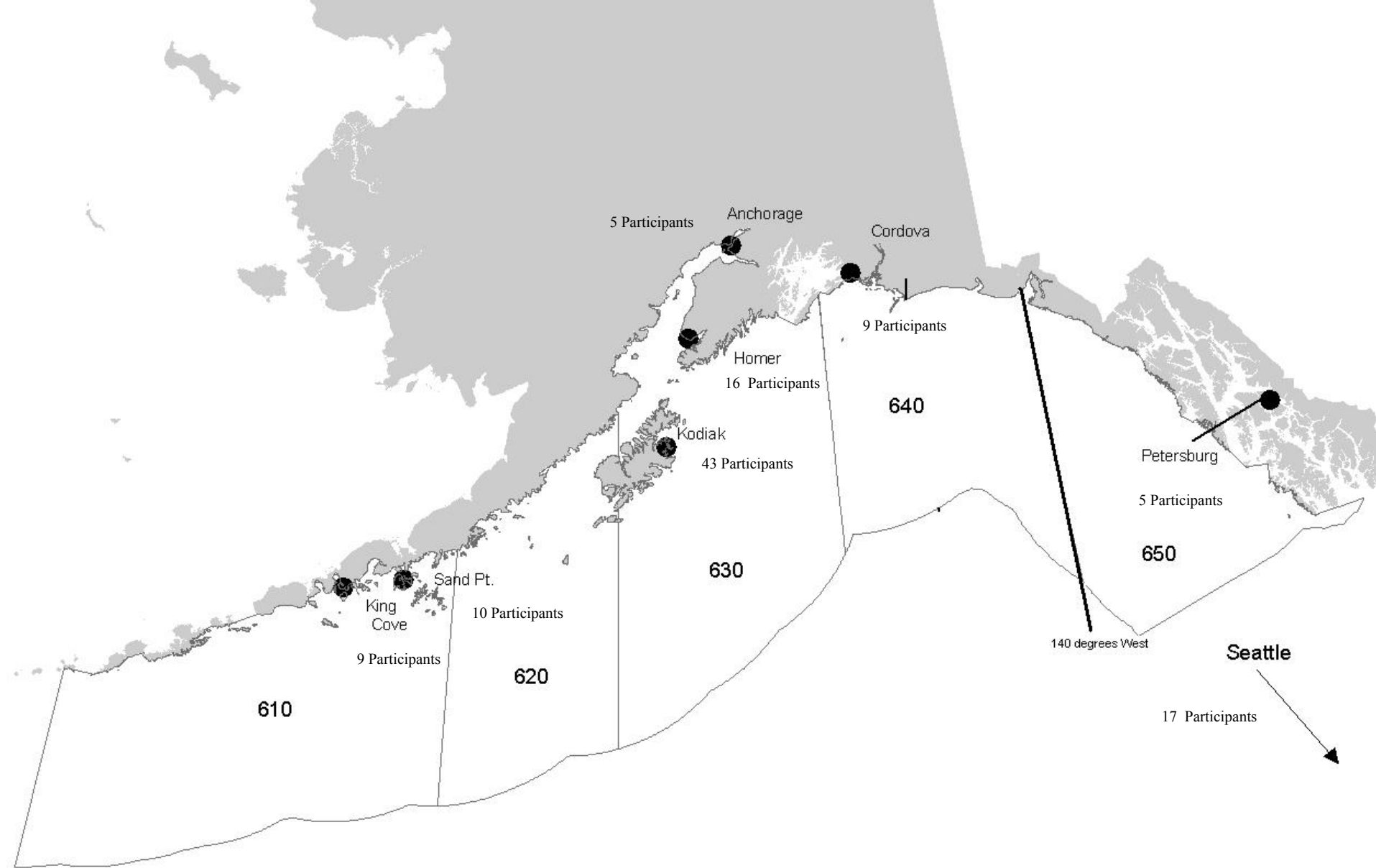


Figure 1: GOA Rationalization SEIS Public Scoping Hearing Locations

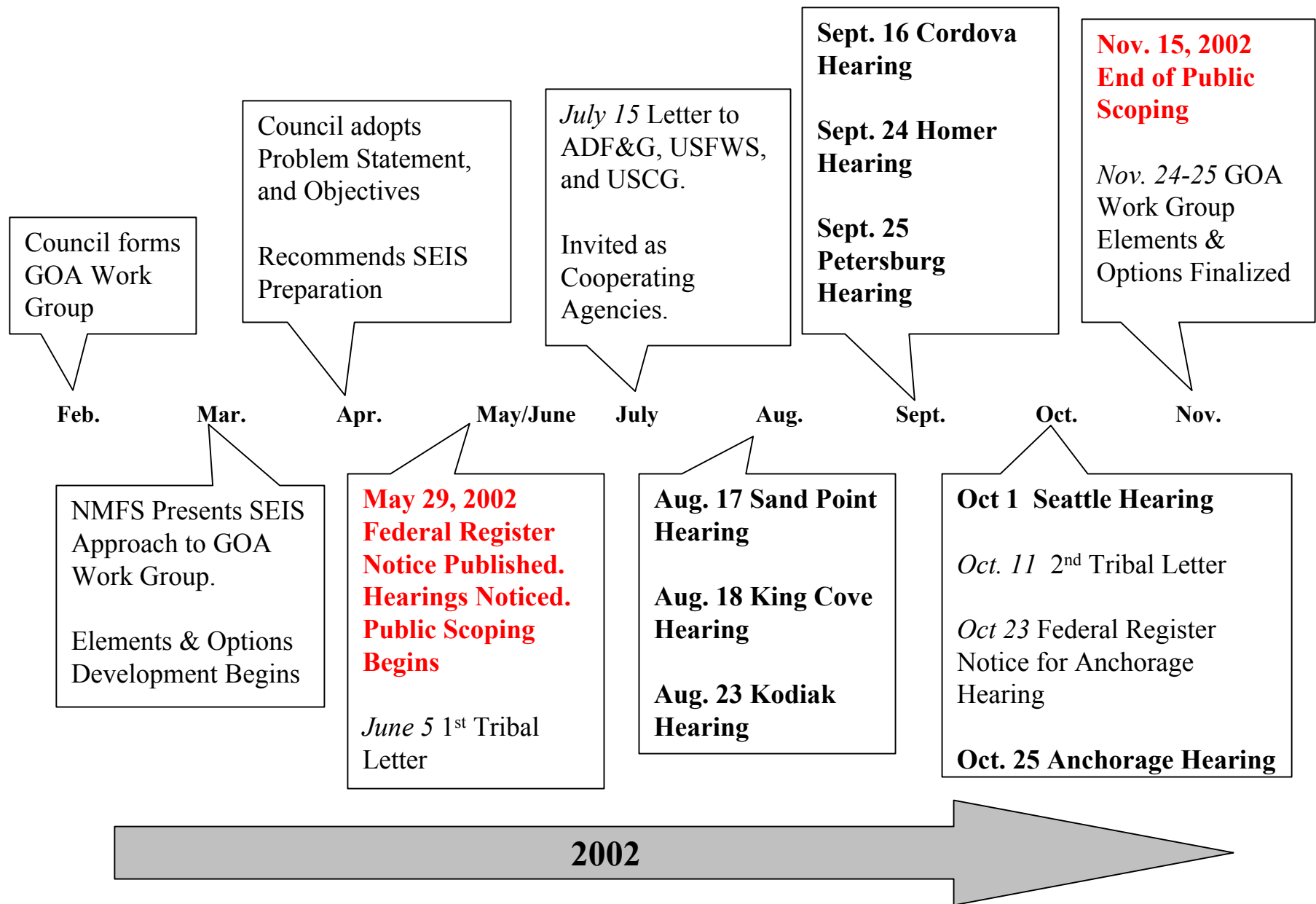


Figure 2: Timeline of GOA Rationalization SEIS

Future Action by the Council and NMFS

Based on the comments received through this public scoping process and the work products from the Council's GOA Work Group, the Council may wish to further refine the precise nature and extent of the proposed action, the range of alternatives, the specific impacts to be evaluated, and the methods used to determine their evaluation. This refinement will benefit the analysis by focusing the work of NMFS and Council staff on those alternatives that specifically address the proposed action. NEPA does not require that every alternative must be considered.

We anticipate that the SEIS will be used to fulfill the request by Congress in the Consolidated Appropriations Act of 2001 (P.L. 106-554) which requires the Council to examine fisheries under its jurisdiction, particularly Gulf of Alaska groundfish fisheries, to determine whether rationalization is needed. and requests the Council to

“analyze individual fishing quotas, processor quotas, cooperatives, and quotas held by communities. The analysis should include an economic analysis of the impact of all options on communities and processors as well as the fishing fleets. The North Pacific Council shall present its analysis to the appropriations and authorizing committees of the Senate and House of Representatives in a timely manner.”

The Council may wish to consider the Consolidated Appropriations Act, the comments from this scoping document and the Elements and Options as developed by the GOA Work Group as it further refines the Proposed Action, Scope, Alternatives, and specific issues to be analyzed in the SEIS.

**BOX 2: Proposed Problem Statement for Gulf of Alaska Groundfish Rationalization – April 2002
(Council Version)**

Increasing participation in the Gulf of Alaska fisheries, as well as increasing catching and processing capacity, have intensified the race for fish with the attendant problems of:

- reduced economic viability of the harvesters, processors, and GOA communities
- high bycatch,
- decreased safety,
- reduced product value and utilization,
- jeopardy to community stability and their historic reliance on groundfish fishing and processing,
- limited the ability of the fishery harvesters and processors to respond to changes in the ecosystem
- limited the ability to adapt to Magnuson-Stevens Act (MSA) requirements to minimize bycatch and protect habitat,
- limited the ability to adapt to changes to other applicable law (i.e., Endangered Species Act).

All of these factors have made achieving Magnuson-Stevens Act goals difficult and force reevaluation of the status quo.

**BOX 3: Objectives for Gulf of Alaska Groundfish Rationalization – April 2002
(Council Version)**

1. Maintain the character of an independent harvester fleet while allowing for meaningful reduction of excess capacity.
2. Foster a healthy, competitive processing and harvesting environment.
3. Protect the harvesting, processing, and community sectors from losing the relative value of their existing investments.
4. Maintain the relative market balance between the harvesting and processing sectors.
5. Provide opportunities for Gulf of Alaska coastal communities to benefit from rationalization programs.
6. Consider historic and recent participation for allocating the benefits of rationalization to all three sectors.
7. Maintain and encourage participation in rationalized fisheries by active holders of quota shares, catch histories, or licenses.
8. Effectively control excessive consolidation and vertical integration by all sectors.
9. Consider the status of skippers and crew.
10. Provide entry level opportunities for individuals.
11. Meet Magnuson-Stevens Act requirements, including conservation requirements.
12. End the race for fish and improve the economic viability of harvesters and processors.

Appendix A: Public Scoping Hearing Summaries

Sand Point
Public Scoping Meeting Summary – Draft
August 17, 2002
Aleutians East Borough Office

General Notes: The public scoping meetings were scheduled in times and locations to accommodate fishing schedules and provide additional access to community residents. The specific locations of the meetings were based on several factors including: (1) suggestions by members of the Council’s Gulf of Alaska (GOA) Work Group; (2) the level of groundfish harvesting and processing activity among GOA communities; (3) the past involvement by representatives of these communities and their representatives in previous GOA rationalization committees and discussions; and (4) to provide additional access opportunities for public comment to those community residents who are not able to attend Council meeting. Prior to the scheduling of these meetings, we received suggestions from members of the GOA Work Group.

Many of the comments elicited from the public were in response to questions offered by staff regarding the current suite of alternatives and proposals for bycatch, community allocations, and other management issues under consideration by the Council’s GOA Work Group.

Public Attendance: 10 members of the public

Meeting Representation: The public attending the meeting represented a variety of gear groups, with the largest representation coming from vessel owners and operators using trawl gear in the cod and pollock fisheries. An individual representing Trident Seafoods, the main processing facility in Sand Point also attended.

Major Themes: While the public scoping addressed a wide range of topics, the main topics of interest included the following:

Proposed Action:

Sand Point residents held several views on the need to modify the existing management of GOA groundfish fisheries and the appropriateness of the various approaches to modify the existing management structure. Many members of the public expressed a desire to establish a “fair start” provision for all size classes of vessels in the Pacific cod fishery in the Western GOA management area. This was seen as a more immediate concern than rationalizing the fisheries. In fact, some identified an interest in creating additional opportunities in the state water Pacific cod fishery for new participants.

Scope:

After noting that there was no need to rationalize the fisheries, most individuals recommended that *if* GOA groundfish management is modified from the status quo, then whatever management approach taken should address all species in all areas. No one commented on whether to include or exclude groundfish fisheries East of 140 degrees W. long. in a rationalization program. Several suggested incorporating species that were

characterized as underutilized in the Western Gulf (e.g., flatfish and rockfish) in the alternatives under consideration. The major concern expressed about exempting these underutilized species is that doing so would essentially create a “race for fish” or increased pressure on those species by any individuals excluded from any rationalization program. Additionally, several individuals said that “rationalized” fishing operations would be able to target these underutilized species better than other non-rationalized, or open access fishing operations. There was not a specific suggestion on how those species should be incorporated in a rationalization program.

Alternatives:

NMFS and Council staff reviewed some of the potential alternatives that have been suggested, including: rights-based management programs such as individual fishing quotas (IFQs); cooperatives similar to those established under the AFA; “two-pie” management with linked IFQ and processor quota shares (IPQs), so-called “three pie” management that would link landings to communities similar to recent action recommended by the Council to rationalize the Bering Sea crab fisheries; modifications of the license limitation program (LLP); and the status quo. Staff invited the public to suggest other alternatives, or hybrid alternatives that should be considered as well.

General Comments

While no one indicated a preference for the status quo, there were a variety of opinions on the other potential alternatives. There were several different opinions about the specific problem facing GOA groundfish fisheries. Several individuals identified the lack of a “fair start” provision in the Pacific cod fishery among the various gear groups as the greatest problem facing the local fisheries. These individuals also suggested that rationalization or other management measures could proceed on a separate and longer track so that a fair start measure could be enacted in the Western Gulf federal Pacific cod fishery quickly to address immediate needs. Several individuals seemed most concerned about the potential reduction in catch by the smaller trawl vessels relative to fixed gear vessels. While there was not agreement on a specific date for a “fair-start” provision, there was general support for a start date in February or early March designed to coincide with the pollock fishery.

Individuals noted that more vessels are coming to the region to fish during the State managed Pacific cod fishery resulting in shorter state fishery seasons. This increased competition may be affecting the overall profitability of local vessels in the state-managed fishery and increasing effort in the federal Pacific cod fishery. Generally, individuals felt that this increase in fishing effort increased due to the recent decline in salmon prices, and changes in salmon management in the region by the Alaska Board of Fisheries.

Rationalization Alternative

Generally, there was not strong support for any rationalization alternative. Comments about rationalization tended to be phrased in terms of a preferred approach *if* rationalization is chosen, but not as though rationalization were a preferred alternative. There was considerable debate about how to address the treatment of skippers and crew members in any rights-based management program, if one were adopted.

Several individuals did support the use of IFQs as the preferred rationalization alternative. Generally, individuals were concerned about the equity of the initial allocation mechanism since species underutilized by Sand Point residents would likely be fully allocated under an IFQ or cooperative program. One individual stated that there are too many boats chasing too few fish and that IFQs would provide an opportunity for

vessels to slow their catch rate and possibly address Steller sea lion concerns, and fish more profitably.

Generally, there was support for the inclusion of skippers and crew in the allocation process. Several individuals suggested various allocation mechanisms for splitting the quota share allocation among vessel owners and skippers. Some suggested a 50/50 split between skippers and vessel owners, others suggested a lower, but less specific allocation. Several individuals noted that it would be difficult, if not impossible to figure out a specific mechanism to allocate quota shares to crew members given the transient nature of crew member employment and poor records. Generally, individuals supported the idea of allocating some initial quota to skippers. Some individuals were concerned that IFQs are desired principally by vessel owners from other regions that fish in the local area who are looking to sell out of the fishery, and that the implementation of an IFQ program would not provide long-term access to local residents. Individuals believed IFQs must be transferable. Generally, caps on quota share consolidation were preferred, but there were no specific preferences for specific limits.

No individual from the fishing fleet advocated the use of “two-pie” or “three-pie” management. Individuals felt that “two-pie” management would reduce any ability by harvesters to find alternative markets or negotiate a more favorable price in Sand Point given the very limited opportunities to sell their catch to other processors in the region. A processing representative noted that processors have made substantial investments in the fishery and “two-pie” management should be considered.

Generally, the use of specific measures designed to “regionalize” the processing of catch or create community quota share programs were not considered either necessary or appropriate. Several individuals suggested that the allocation of community quota shares to communities such as Sand Point, which do not target rockfish and flatfish might reserve a portion of the total allowable catch (TAC) for each community and provide some protection or mechanism for participation for those that have not participated in the past.

There was not a specific recommendation either for or against the use of cooperatives. Many individuals seemed uncertain as to how cooperative management might actually function in the Western Gulf of Alaska.

A repeated concern was for including an opportunity for new entrants in whatever mechanism may be chosen. Expansion of the existing IFQ loan program was mentioned, but there were no additional specific suggestions on how new entrants could be better incorporated in a quota share program.

License Limitation Alternative

Individuals also suggested modifying the LLP as an alternative to rationalization. There were mixed opinions about whether modifying the LLP would address the short and long-term problems facing the groundfish fisheries. Several individuals suggested that removing “latent” licenses from the LLP, would address several concerns about limiting new entry into the fisheries. Others felt that modifying the LLP would not address the long-term concerns of the fishery and would not improve the ability of existing operators to remain competitive. Several individuals stated that the existing LLP allows larger vessels that have not historically participated in the Pacific cod fishery—particularly displaced BSAI crab vessels, to participate in the federal fishery. Other individuals stated that management within the “parallel” fishery also allows vessels to fish during the federal season without an LLP and recommended that the state take action to prevent this situation (see “Issues: parallel fishery”).

Issues:

Several of the key issues that were raised for further analysis included: (1) management in the “parallel” fishery—the fishery occurring in state waters opened during the federal fishery; and (2) differential management among various management regions in the GOA and the importance of establishing “sideboards” if differential management measures are implemented.

Parallel fishery

Individuals noted that if any rationalization program is adopted, NMFS and the Alaska Department of Fish and Game should coordinate to address mutual management concerns. Some of the issues raised include: whether catch history from harvests in the parallel fishery from a vessel without an LLP would be included in any quota allocation, whether a federal quota program would be applicable to vessels fishing exclusively in the parallel fishery, and whether future management measures to further restrict the number of LLPs could be applied within the parallel fisheries. Several individuals suggested increasing the State managed Pacific cod guideline harvest level and requiring that if vessels fish within federal waters they would be prohibited from fishing in the state managed Pacific cod fishery. This measure was suggested to reduce the potential lack of controls within the existing parallel fishery management framework.

Differential Management

Many individuals suggested that different management strategies may be appropriate in different regions of the GOA. As an example, one individual suggested that different management systems could be approved for the Western and Central Gulf management regulatory areas. Individuals suggested that there would need to place “sideboards” to limit the potential spill-over effects that could occur if vessels are rationalized in one part of the GOA and vessels are then more able to participate in fisheries in other regions.

Other Comments:

Individuals requested that the notes from future public scoping meetings be placed on the web prior to the presentation of the draft scoping report to the Council in October.

King Cove
Public Scoping Meeting Summary – Draft
August 18, 2002
Robert E. Newman Memorial Harbor House

Public Attendance: 10 members of the public

Meeting Representation: Individuals attending the meeting represented a variety of gear groups, with the largest representation coming from vessel owners and operators using fixed gear in the Pacific cod fishery. An individual representing Peter Pan Seafoods, the main processing facility in King Cove, also attended.

Major Themes: While the public scoping meeting addressed a wide range of topics, the main topics of interest included the following:

Proposed Action:

Individuals held several views on the need for modifying the existing management of GOA groundfish fisheries and the appropriateness of the various approaches to modify the existing management structure. During public discussion, many individuals members expressed a desire to further limit the possibility of larger vessels with “latent” LLP from entering the Pacific cod fishery. Generally, there was opposition to any rights-based management program.

Scope:

Since there was little support for significantly changing the existing management system, most individuals did not see a need to modify fisheries management throughout the Gulf. However, individuals recommended that *if* a new rationalization program were adopted than any new management approach should address all species. Several members of the public recommended adopting different management actions in Western and Central GOA might be appropriate. No one expressed an opinion on whether to include groundfish fisheries East of 140 degrees W. long. in any new management program. Individuals recommended that fishermen should not be precluded from accessing underutilized species in the Western Gulf (e.g., flatfish and rockfish). Individuals indicated that underutilized species could be important in the future and establishing a rationalization program could limit opportunities for local fishermen.

Alternatives:

NMFS and Council staff reviewed some of the potential alternatives that have been suggested, including: rights-based management programs such as individual fishing quotas (IFQs); cooperatives similar to those established under the AFA; “two-pie” management with linked IFQ and processor quota shares (IPQs), so-called “three pie” management similar to that recently recommended by the Council under crab rationalization (see the Council website at <http://www.fakr.noaa.gov/npfmc> for additional information); modifications of the license limitation program (LLP); and the status quo. Hearing officers also asked individuals if there were other alternatives, or hybrid alternatives that should be considered as well.

General Comments

While no one indicated a preference for the status quo, individuals did not recommend substantial changes to the existing management system. Most individuals were more concerned about access to the resource (“big boat/small boat” issues) rather than overcapitalization. Individuals indicated that one problem for the local groundfish fleet is preemption of catch and fishing grounds by larger boats. Generally, there was very little support for an IFQ program. Several individuals were concerned that groundfish fisheries, in particular the fixed gear Pacific cod fishery, are important to the smaller local vessels by allowing vessels to occasionally supplement their income. In particular, more vessels using jig gear are participating in both the State and Federal Pacific cod fisheries because salmon value and harvests are declining. Although these harvests are small in terms of overall value of harvests, they are very important relative source of income.

Rationalization Alternative

There was generally strong opposition for the use of IFQs or other rights-based management alternatives. One individual stated that IFQs could provide certain benefits such as allowing vessels to lower bycatch, fish slower which could be beneficial for addressing Steller sea lion conservation concerns, and allow processors to gain more value, but generally, many individuals felt that the implementation of the halibut and sablefish IFQ Program disadvantaged the local fleet and individuals almost uniformly expressed strong opposition to the use of quota shares and the equity of the initial allocation mechanism and the treatment of skippers and crew.

No individual from the fishing sector advocated the use of “two-pie” or “three-pie” management. Individuals felt that allocating quota shares to processors would reduce any ability of harvesters to find alternative markets or negotiate a more favorable price in King Cove, given the very limited opportunities to sell their catch to other processors in the region. While an individual from the processing sector did not advocate processor quota share (QS), he identified that the investment of the processing company should be considered and Peter Pan Seafoods would want to be included in any rationalization program if it proceeds.

Some individuals supported the concept of community-based management measures if a rights-based management alternative were chosen. One individual suggested a portion of the TAC or quota share could be allocated to communities. Individuals indicated that this could be accomplished by allocating to vessels less than 58 feet length overall (LOA) and allow those vessels to then participate under open access. Some individuals also noted that the local fleet could be initially allocated relatively little QS because they were targeting other fisheries during certain qualifying years. Individuals cautioned that local vessels should not be viewed as not participating in a fishery even if this participation is sporadic. Individuals noted that the qualifying years must be chosen carefully to consider the local fleets.

Several individuals noted that small boat fleet communities, such as King Cove, may be disadvantaged in IFQ programs because most of the initially allocated quota share goes to larger fleets with more catch history. Individuals recommended a more “equitable” formula for issuing QS to protect the local small boat fleet. Individuals also indicated some support for “regionalizing” fishery landings (requiring landings in local communities) as a means of ensuring stable processing and tax revenues. Individuals noted that the halibut IFQ program resulted in a greater portion of the catch being delivered to ports outside of King Cove, resulting in a loss of tax revenue.

There was not a specific recommendation regarding the cooperative alternative. Many individuals seemed uncertain as to how cooperative management might actually function in the context of Western Gulf fisheries. Although, not technically a cooperative, several members of the public recommended a distinct allocation of a portion of the Pacific cod total allowable catch (TAC) in the Western Gulf, and presumably other groundfish species' TAC, to vessels under 58 feet LOA and permit an open access fishery within that designated TAC.

There was considerable debate about including skippers and crew members in any rights-based management program, if one were adopted. Several individuals suggested various allocation mechanisms for splitting the quota share allocation among vessel owners and skippers. Generally, individuals who were hired skippers supported the idea of allocating some initial quota to skippers. Some individuals were concerned that IFQs are desired principally by vessel owners from other regions that fish in the local area who are looking to sell out of the fishery, and that the implementation of an IFQ program would not provide long-term access to local residents.

Individuals did not have specific comments about underutilized species in the Western Gulf such as rockfish and flatfish. One processor representative indicated that it was important not to preclude local fishermen from these fisheries, but there were no specific suggestions on how to address the allocation of quota share or management of these fisheries under a rationalization program.

License Limitation Alternative

Individuals also suggested that modifying the LLP as an alternative to rationalization may be appropriate. Individuals did not seem primarily concerned about reducing the number of latent licenses. However, some individuals expressed concerns that larger boats, particularly vessels that participate in BSAI crab fisheries, that now fish in the parallel fishery without an LLP were preempting smaller vessels in the fixed gear Pacific cod fishery. Others stated that management within the "parallel" fishery also allows vessels to fish during the federal season without an LLP, and that the State may need to address this issue.

Issues:

Several of the key issues that were raised included: (1) management of the parallel fishery; (2) regional or differential management; and (3) the effects of gear conversion on possible quota share allocation.

Parallel Fishery

Individuals noted that more vessels are coming to the region to fish during the State managed Pacific cod fishery resulting in shorter fisheries in state fisheries. This increased competition may be affecting the overall profitability of local vessels in the state-managed fishery and increasing effort in the federal fishery. Individuals noted that there will need to be coordination between NMFS and ADF&G to address mutual management concerns if any rationalization program is adopted. Several individuals suggested increasing the State managed Pacific cod guideline harvest level and requiring exclusive registration in either the state or federal Pacific cod fishery. This measure was suggested as a way to reduce the potential lack of controls within the existing parallel fishery management framework. Several individuals suggested increasing the State managed Pacific cod guideline harvest level (GHL) to offset the potential effects of rationalization in the federal fisheries and provide an opportunity for smaller vessels to participate.

Regional Management

Many individuals suggested that different management strategies may be appropriate in different GOA management areas. One individual suggested that it may be possible to have one management system in place for the Western GOA that modified the LLP, and have a different management system in place for the Central GOA. Others suggested that “sideboards” to limit the potential spill-over effects could be considered to protect areas not rationalized.

Trawl Catch History and Gear Conversion

Individuals indicated that if trawl vessels were issued quota share and trawling, particularly in the Pacific cod fishery, were eliminated then it is not clear what might happen to the catch history. The catch history for the fixed gear trawl fleet is less than the trawl fleet and it is not clear what effect the addition of converted trawl vessel catch history might have on the existing fixed gear Pacific cod fleet if a quota share allocation were adopted.

Kodiak
Public Scoping Meeting Summary – Draft
August 23, 2002
Fishery Industrial Technology Center

Attendance: Approximately 45 members of the public (including agency personnel)

Meeting Representation: The public attending the meeting represented a variety of gear groups, with representation coming from vessel owners, operators, and crew using trawl and fixed gear and a number of fisheries organizations. There were also several representatives from several of the processing plants in Kodiak. Also in attendance were individuals representing the Kodiak Island Borough, Alaska Department of Fish and Game, the United States Coast Guard, and staff of Senator Austerman.

Major Themes: While the public scoping addressed a wide range of topics, the main topics of interest included the following.

Proposed Action:

Individuals strongly supported rationalization within the Gulf of Alaska (GOA) through the adoption of quota-based management programs. There was some concern that rationalization could preclude the ability of new entrants to get into the fishery.

Scope:

Generally, individuals supported adopting management measures that would address all species at all times. No one expressed an opinion of whether to include or exclude groundfish fisheries East of 140 degrees W. long. in a new management program. The public also indicated that if one species is rationalized than other species should be rationalized at the same time. There was limited discussion of separate rationalization programs for different fisheries in different areas based on concerns that certain regions of the GOA may be better prepared or willing to rationalize their fisheries.

Alternatives:

During the meeting, NMFS and Council staff reviewed some of the potential alternatives that have been suggested, including: rights-based management programs such as individual fishing quotas (IFQs); Cooperatives similar to those established under the American Fisheries Act (AFA); “Two-pie” management with linked IFQ and processor quota shares (IPQs), so-called “three pie” management similar to that recently recommended by the Council under crab rationalization (see the Council website at <http://www.fakr.noaa.gov/npfmc> for additional information); modifications of the license limitation program (LLP); and the status quo. Staff also asked the public if there were other alternatives, or hybrid alternatives that should be considered as well.

General Comments

Individuals noted that there are numerous problems currently facing the groundfish fisheries in the GOA, and specifically the Central GOA management area. Some of the reasons mentioned for supporting rationalization included: concerns that existing harvesting capacity exceeds the available fishery resource; the Central Gulf groundfish fisheries are now more expensive and less profitable on the market, particularly compared to the Bering Sea/Aleutian Islands Management Area (BSAI) pollock fishery managed under the AFA, whose market has expanded into areas traditionally targeted by GOA pollock fisheries (e.g., filet market); concerns about the possible effects of displaced vessels from other fisheries recommended for rationalization (e.g., BSAI crab fisheries); allocation of harvesting privileges to provide additional economic stability; and the ability to respond to halibut bycatch concerns.

Rationalization Alternative

Among the rationalization alternatives discussed, cooperative management was the preferred alternative for rationalization. Several participants described their experiences under the AFA and the advantages that they believe cooperative management has provided, such as improving roe recovery rates, reducing bycatch, improving processing crew staffing, addressing concerns about mechanical problems and injuries, and as a means to address concerns raised by environmental organizations concerning fishery management. One individual opposed rationalization because it limits the ability for younger fishermen to get into the fisheries.

Several individuals provided a range of reasons why cooperatives might be the most advantageous options. Some of these include the ability of cooperatives to manage bycatch and prohibited species caps (PSCs) among all of the vessels, the ability to form a team work environment among vessel owners, operators, and processors due to the collective management of these operations. Some individuals believed that cooperative management could address local community concerns better than an IFQ Program due to the flexibility of negotiating arrangements within the cooperative. Several individuals mentioned that the halibut and sablefish IFQ Program shifted processing away from Kodiak and did not adequately consider skipper and crew in the initial allocation, whereas cooperative management may be able to address these issues. Others maintained that the existing IFQ Program is not necessarily a model for groundfish given the more perishable nature of the groundfish stocks and the need for large volume processing. These individuals did not believe IFQ management would necessarily result in the diversion of processing to other ports. Others noted concerns about the degree of foreign control that could occur with processor QS, or allowing processors to purchase QS in an IFQ Program.

One concern raised was whether the experience of vessel owners and operators in the AFA was sufficient to judge the performance of cooperatives in general and if the advantages currently experienced by AFA members would continue. There was concern that long-term trends in employment could show reduced crew and skipper shares and lower overall income.

There was generally strong support for incorporating community-based management measures if a rights-based management alternative were chosen to maintain existing processing capacity within Kodiak. However, the particular options suggested differed significantly. Individuals suggested the use of regional landing requirements either incorporated into the specific cooperative structure or by establishing the use of PQS. Individuals noted that the halibut and sablefish IFQ Program modified delivery patterns to favor fresh auction markets and resulted in a greater portion of the catch being delivered to other ports. This lowered fishery landing tax revenue in Kodiak. Individuals recommended that landings should be tied to the communities either through specific port-preference clauses or through the issuance of QS to processors in the region.

Generally, there was concern about creating a separate quota allocation specifically for communities. One concern was that the allocation of harvesting or processing QS directly to communities could impair the ability of processors to ensure a good flow of product by limiting competition at existing facilities. Other concerns were that shifting harvesting or processing QS to other communities could increase overcapacity in the groundfish fishery by adding new capacity in these smaller communities. There was also concern that a separate allocation to small communities would be too small to prove economical and would require the communities to lease the processing QS to other processors thereby increasing the overall costs for processing fish. Generally, there was support for allowing communities to buy QS, either for processing or harvesting depending on the program, but not for an initial allocation.

There did not seem to be any clear support for the use of “two-pie” management – linked harvester and processor quota shares – among the fishermen and some of the processors present. These individuals felt that “two-pie” management would reduce any ability of harvesters to find alternative markets or negotiate a more favorable price. Individuals suggested that the financial commitment made by processors would best be addressed through cooperatives linking processors and harvesters, or through issuing harvester IFQ directly to processors that own fishing vessels. Others noted that the investment of processors should be considered. One individual noted that cooperatives may not require community landings but a “two-pie” program could link processing to a specific community with the goal of maximizing the value of the fishery. Also noted was the belief that the Magnuson-Stevens Act requires protection of all stakeholders in quota allocation programs.

A concern raised was that whatever mechanism may be chosen there have to be specific provisions that provide an opportunity for new entrants. One individual mentioned a government program in Ireland that helps to sponsor new entrants.

License Limitation Alternative

Generally, the public did not support modifying the LLP as a means of addressing the range of problems facing GOA groundfish fisheries. In particular, individuals stated that the LLP did not address the “race for fish” or outstanding bycatch and environmental issues. Some suggested modifying the LLP as an interim measure, but others indicated that this could be a considerable cost with little overall result since much of the fleet is fairly stable over time and little effect on overall fleet capacity could be expected.

Issues:

Several of the key issues that were raised for further analysis included: (1) management in the “parallel” fishery—the fishery occurring in state waters opened during the federal fishery; (2) differential management among various management regions in the GOA and the importance of establishing “sideboards” if differential management measures are implemented; and (3) specific data requests.

Parallel fishery

Several individuals noted that the primary concern was that any catch history that is harvested within the parallel fishery should be considered in any rationalization program. One individual noted that concerns about management of the parallel fishery could be addressed by assigning a separate quota in state waters for harvests exclusively within that fishery, and require any individuals fishing outside state waters to be managed under federal regulations regardless of the source of the harvests.

Differential Management

Many individuals suggested different management strategies may be appropriate in different regions of the GOA. The primary concern expressed was that if one region of the Gulf were not prepared for rationalization, then other regions, should not be limited in their ability to rationalize their fisheries. The primary concern was that sideboard measures to manage “crossover” vessels that have historical harvests in both regions could prove difficult and costly.

Specific Data Requests

One individual suggested examining the performance of the AFA in terms of employment economic data (e.g., average crew share and revenue, amount of employment, etc...). There was also a request made to review the performance of the orange roughy IFQ program in New Zealand in terms of the effects of processor consolidation.

Cordova
Public Scoping Meeting Summary – Draft
September 16, 2002
Cordova Public City Library

Public Attendance: Nine members of the public attended.

Meeting Representation: The public attending the meeting were largely small vessel fishermen fishing for Pacific cod with longline gear in the Federal fisheries—typically inside State waters in the Parallel fishery. One individual representing a local processor and USCG personnel from the USCG Cutter *Sycamore* also attended.

Major Themes: The main issues of concern addressed by the public included the following:

Proposed Action:

Cordova residents wished to modify the existing management system to provide increased opportunities for the local fleet and a steady flow of product into processing plants into Cordova. Many in the audience noted the need to have a management system that allowed for longer fishing time, and several suggested that there was currently a race for fish—particularly in the Pacific cod fishery. There was general support for changes in management that increased the access available to the local fleet, and there was concern that adopting new management measures that severely restrict participation of small vessels by allocating access to the fishery based strictly on historic participation would not address the needs of Cordova residents. Generally, residents wished to establish a flexible management program that continued to provide access to local fishermen, but there was no clear consensus as to whether this would best be accomplished through rationalization or by providing some percentage of the total available catch (TAC) for harvest by Cordova and other Prince William Sound (PWS) communities—a regional TAC.

Scope:

Although the public did not clearly support a specific rationalization alternative as appropriate for Cordova, there was a recognition that if one fishery is modified it could affect other fisheries as well. The public did not hold specific views on whether all fisheries should be rationalized or only those fisheries that are currently targeted by Cordova residents—pollock and Pacific cod. There were no comments on whether to include or exclude groundfish fisheries East of 140 degrees W. long. in any rationalization alternative.

Alternatives:

NMFS and Council staff reviewed some of the potential alternatives that have been suggested, including: rights-based management programs such as individual fishing quotas (IFQs); cooperatives similar to those established under the AFA; “two-pie” management with linked IFQ and processor quota shares (IPQs), and mechanisms that might regionalize the catch of groundfish species. The staff also reviewed potential modifications to the license limitation program (LLP), and status quo management. Staff invited the public to suggest other alternatives, or hybrid alternatives that should be considered as well.

General Comments

The public indicated that the main concerns facing the local groundfish fishery included the need to maintain access to the groundfish fishery—particularly Pacific cod, and a stable stream of product to the local processors. Pacific cod is a back-up fishery to salmon, and is important to supplement the income of smaller vessels. Because much of the Central Gulf Pacific cod quota is taken before the cod aggregate inshore near Cordova by vessels fishing primarily out of Kodiak, the historic catch of the Cordova fleet is limited. A primary concern was that any alternative management program that was focused on allocating quota based on historic catch would curtail access to the local fleet significantly and does not reflect the fishing patterns of the local fleet. Since Pacific cod is a “back-up” fishery, and the local fleet has been constrained by quota area management and variable migrations patterns many felt that catch history would not necessarily reflect the dependence of the Cordova fleet on the fishery.

Several individuals stated that there was a need to fish longer into the Pacific cod season and that rationalization could provide that opportunity. Other concerns that were raised were that any management program that is adopted should address the race for fish and allow fishermen to fish when most profitable, markets are available, and when the fish are in the best condition.

Generally, the public was not in favor of expanding the State managed Pacific cod fishery because it limits the type of gear that can be used in that fishery. Specifically, those present preferred fishing within State waters during the federal season in the parallel fishery because it allows longlining, compared with the PWS State Water fishery which is limited to pot and jig. Many noted that jigging does not work in Cordova because the fish are not schooled up enough to make that form of fishing profitable so state quota is not taken. Many believed that increasing the state water quota as a mechanism to offset any possible loss of access due to rationalization would not help Cordova.

Rationalization Alternative

Generally, support for a particular program seemed to be split depending on the fishery. While many in the Pacific cod fishery were concerned about maintaining access for the local fishermen, the main concern for the pollock fishery was ensuring that there was a stable supply of product to the local canneries from the smaller Cordova pollock fleet. Many noted that pollock is the most important fishery for the winter economy of Cordova.

For the most part, fishermen favored allocating a segment of the Central Gulf Pacific cod TAC to the communities of PWS that could then be fished in a manner determined by the residents of those communities. The public did not specifically state that this regional TAC would be managed in an open-access manner, but many implied that might be the appropriate management tool. The views on the pollock fishery differed. Admittedly, there were no Cordova pollock fishermen at the hearing. However, many felt that the concern with pollock was in maintaining market share and not losing processing to other communities.

Many felt that IFQs or cooperative management was not necessarily the appropriate tool for addressing concerns about Pacific cod management. Generally, there seemed to be less familiarity with cooperative management programs and how those could be implemented. Based on observations from the halibut and sablefish IFQ Program, many felt that Cordova fishermen probably would not have enough history to qualify for quota share to produce a profitable fishery. Some recommended splitting the Pacific cod Central Gulf TAC and that this allocation could be made to PWS communities based on a combination of history and

other factors that would provide for an opportunity for growth. This public did not provide a more specific mechanism for allocating this regional TAC.

The recommendations did differ for pollock. Pollock is considered to be a capital intensive fishery and the local processor and public were concerned about the effect of pollock vessels delivering their catch to other regions. The processor supported processor QS, if harvester IFQs are approved. Both fishermen and the processor noted that provisions should be included to not allow processors to control the price if such a “two-pie” program were adopted. One harvester representative supported “two-pie” management for the pollock fishery as a means to increase community stability and provide for a winter economy.

There was no consensus on setting aside initial shares for community residents who are not currently participants in the federal fisheries. Some noted that institutional expenses incurred by communities (e.g., water treatment systems for processing plant requirements) might merit inclusion in any rights-based management program. There was some support for allowing communities to purchase shares after an initial allocation, but less support for a direct allocation.

There was some discussion about the importance of addressing “spillover” effects from other fisheries if those fisheries are rationalized. Within the context of Pacific cod, there was some support for establishing an exclusive harvest area, patterned after the State of Alaska superexclusive registration areas for salmon.

The public did have some concerns about the ability for expanding fisheries if a rationalization program were adopted. In particular, a number of individuals were concerned that a rationalization program could limit the ability to develop new fisheries such as a dogfish shark fishery.

The public did not specifically address how skipper and crew should be addressed in any rationalization program.

License Limitation Alternative

Many of the fishermen present currently fish within the parallel fishery without an LLP. There was not any clear support for further limiting the LLP, particularly inside State waters during the parallel fishery.

Issues:

Several of the key issues that were raised for further analysis include: (1) reviewing the implications of changing management on observer requirements; (2) addressing management of the parallel fishery.

Observer Coverage

Several individuals expressed concern about the effect that rationalization could have on observer coverage. Many noted that obtaining observer coverage in Cordova is difficult currently, and changes that require more coverage would make it more difficult. The public requested that NMFS and the Council look at how any of these alternatives could affect observer costs. Several recommended that observer costs be distributed over a wider range of vessels.

Parallel Fishery

Several individuals noted that regardless of the program adopted, it must consider that a considerable portion

of the Cordova fleet fishes within the parallel fishery and excluding them from participation because they do not hold an LLP would severely limit local fishing opportunities. There were no specific suggestions on how to limit catches within the parallel fisheries.

Homer
Public Scoping Hearing – Draft
September 24, 2002
Best Western – Bidarka Inn

Public Attendance: Sixteen members of the public attended including three Alaska Department of Fish and Game (ADF&G) Staff.

Meeting Representation: The public attending the meeting were largely small vessel fishermen fishing for Pacific cod with longline gear in the Federal fisheries. Some of these individuals also participated in Pacific cod jig and pot fisheries in both Federal fisheries and the State managed Pacific cod fishery. One individual trawled for Pacific cod and pollock. Fishermen participated both in the Central and Western Gulf of Alaska (GOA). Many of the individuals also participated in the halibut and sablefish IFQ fisheries. A local processor active mostly in halibut, sablefish, and Pacific cod fisheries also attended.

Major Themes: The main issues of concern addressed by the public included the following:

Proposed Action:

Homer residents wished to modify the existing management system and the majority of those present recommended some form of rationalization. Public participants noted that the adoption of the halibut and sablefish IFQ program provides benefits and a competitive advantage to some in the fleet and that the positive effects of IFQs have spilled over negatively to those who are not participants. As an example, winter crew leave existing Pacific cod vessels when the IFQ season starts because exvessel value and the resulting crew income has increased in that fishery with the IFQ program. One member of the public noted that fishermen will be disenfranchised without rationalization in the groundfish fisheries. Concern was expressed that the American Fisheries Act (AFA) could adversely affect the GOA groundfish fisheries by providing additional competitive advantage to AFA vessels fishing in the GOA. Others noted that under Steller Sea lion mitigation measures and possible essential fish habitat regulations, fishermen could be severely disadvantaged without some form of rationalization. Many felt that rationalizing fisheries provides those participants at an advantage relative to participants in non-rationalized fisheries. One individual noted that conservation should be the primary reason to rationalize fisheries (e.g., reduce bycatch, encourage gear conversion to potentially less damaging gear).

Scope:

The public supported a rationalization alternative. Some suggested that a quota-based program similar to the existing IFQ Program may be appropriate. Generally, the public held that if one fishery is modified it could affect other fisheries as well. The public did indicate that rationalizing all fisheries may be most appropriate. However, there was some concern that fisheries where the TAC is fully taken should not necessarily be allocated a larger amount of catch than historically harvested. There were no comments on whether to include or exclude groundfish fisheries East of 140 degrees W. long. in any rationalization alternative.

Alternatives:

NMFS and Council staff reviewed some of the potential alternatives that have been suggested, including: rights-based management programs such as individual fishing quotas (IFQs); cooperatives similar to those established under the AFA; “two-pie” management with linked IFQ and processor quota shares (IPQs), and mechanisms that might regionalize the catch of groundfish species. The staff also reviewed potential modifications to the license limitation program (LLP), and status quo management. Staff invited the public to suggest other alternatives, or hybrid alternatives that should be considered as well.

General Comments

Most of the discussion on alternatives focused on the possible benefits of rationalizing the harvest of fish. There was strong opposition to a rationalization alternative that could limit the ability to market catch. There was limited discussion and less clear understanding of how cooperative management similar to the AFA might function in the GOA groundfish fisheries. Some individuals did note a possible benefit to cooperative management might be its ability to reduce the number of vessels participating in a fishery and reduce costs, particularly for observer coverage. The public did have several suggestions about specific data or issues that should be fully discussed in the SEIS process.

Rationalization Alternative

Many of the audience members seemed most familiar with the IFQ Program currently in place, and most members indicated a preference for adopting a rationalization alternative that shared some of the same characteristics of that program. Many of the reasons for supporting such an alternative are described under the Proposed Action and Scope headings. A specific benefit of an IFQ Program was in the freedom to form new markets. One individual mentioned that any IFQ program alternative developed should increase the restrictions on absentee ownership and leasing of QS.

Many audience members were concerned that the use of a two-pie management system would undermine their ability to maintain competitiveness. There was strong opposition to this form of management. Several audience members felt that the Council was not responsive to the public concerns about the allocation of crab processor shares adopted by the Council since there was strong opposition by numerous Alaskans to processor QS. Others noted that the BSAI crab rationalization program will have negative effects in the GOA. Others felt that there was no basis for allocating processor shares for conservation purposes, and that the analysis conducted for the BSAI crab fishery by the State of Alaska on two-pie management was inappropriate for the GOA groundfish fisheries and should not be used.

Generally, there was limited support for regional landing requirements. Some noted that cod and pollock are perishable products and are not likely to undergo the same shifts in markets as observed in the halibut and sablefish fishery. Others were opposed to the creation of a CDQ-like program in the GOA. One individual noted that community allocations are not efficient use of resources where good local fishermen are doing well in nearshore fisheries. The State managed Pacific cod fishery was noted as an example of a fishery that has already provided benefits to communities.

Several individuals noted that “gear conversion” or other incentives that can shift the harvest of groundfish resources from trawl to pot and longline gear should be considered as a part of a rationalization alternative.

License Limitation Alternative

The public did not support modifying the LLP as a means to address the concerns about current fisheries management. One individual said that modifying the LLP is not likely to “cut out” or reduce significant effort. One individual suggested a vessel size limitation in the parallel fishery to allow only vessels less than 60 ft LOA inside state waters in the Western GOA. Some individuals mentioned that reducing the number of LLPs would not cut out significant effort.

Issues:

Several of the key issues that were raised for further analysis included: (1) incorporating the National Research Council’s policy guidance in *Sharing the Fish*; (2) establishing a review process in any rationalization alternative; (3) considering the effects of rationalization on observer programs; and (4) the effects of rationalization on halibut bycatch.

Sharing the Fish

One individual noted that the recommendations provided in *Sharing the Fish* should be reviewed in the SEIS analysis.

Review Process

There was some support that any rationalization program adopted should have a thorough review process. Accordingly, whatever alternative is chosen should be examined to determine if bycatch, conservation, and other goals are met. A possible mechanism was a true sunset in the program if certain goals are not met. Regardless, there was a desire to ensure that the Council maintain the ability to modify the fishery after an initial period.

Observer and Data Collection Program

Generally, the public indicated that a robust data collection program to review and assess the impacts of rationalization. One individual noted that a possible benefit to cooperative management could be to reduce number of vessels in the fisheries and reduce cost. Observer costs could drive this consolidation. A variety of concerns about the current observer payment system, such as the lack of payment and coverage on smaller vessels, could be addressed through rationalization, and should be described in the analysis.

Halibut Bycatch

One individual expressed concern about halibut bycatch during an extended groundfish season, and recommended analyzing the effect of an extended halibut season to allow retention of cod when cod is open.

Petersburg
Public Scoping Hearing – Draft
September 26, 2002
Petersburg City Council Chambers

Public Attendance: Five members of the public attended

Meeting Representation: The public attending included a representative of the press, and legislative staff for U.S. Senator Murkowski and State Representative Wilson. Two longline fishermen based out of Petersburg who fish for a variety of groundfish species in the federal groundfish fisheries attended. One was a representative of a local freezer longline vessel participating in Central and Western Gulf of Alaska (GOA) attended.

Major Themes: The main issues of concern addressed by the public included the following:

Proposed Action:

The public did not believe that rationalization was necessary in Southeast Alaska (NMFS Management Areas 650 and 659) – the area East of 140 degrees W. long. Those in the audience felt that the existing management system for groundfish in Southeast Alaska was adequate and no changes were necessary. However, the two fishermen that participated in fisheries outside this area wished to modify the existing management system and recommended some form of rationalization. Generally, the public indicated that although rationalization in other regions of the GOA was not likely to affect fisheries in Southeast Alaska, the analysis should provide a thorough review of the potential implications of rationalization on management in Southeast Alaska. Many of the comments concerning rationalization applied to fisheries outside of Southeast Alaska where Petersburg fishermen also participate. Support for rationalization included concerns about the changes in fisheries management that have come as a result of the Steller sea lion litigation and the inability to adapt to changes in management economically.

Scope:

The public supported a rationalization alternative in fisheries outside of Southeast Alaska. Generally, the public view was that if one fishery is modified it could affect other fisheries as well. The public did indicate that rationalizing all fisheries may be most appropriate. One concern raised was that rationalization of rockfish could disrupt existing IFQ halibut and sablefish fisheries since those fisheries often require a certain amount of bycatch in order to be effectively harvested. One individual mentioned that most of the groundfish fisheries in Southeast Alaska occur within State of Alaska waters (Are 659) and it isn't clear that rationalization in Federal waters would provide the ability to address concerns inside State waters. One individual stated that eventually all fisheries are likely to be fully utilized and it is best to begin examining rights-based management even for those fisheries that are not fully utilized.

Alternatives:

NMFS staff reviewed some of the potential alternatives that have been suggested, including: rights-based management programs such as individual fishing quotas (IFQs); cooperatives similar to those established

under the AFA; “two-pie” management with linked IFQ and processor quota shares (IPQs), and mechanisms that might regionalize the catch of groundfish species. The staff also reviewed potential modifications to the license limitation program (LLP), and status quo management. Staff invited the public to suggest other alternatives, or hybrid alternatives that should be considered as well.

General Comments

Two general comments came out of the hearing. First, a desire to maintain existing management of the Southeast Alaska groundfish fisheries, and second, to move toward a rights-based management alternative in groundfish fisheries elsewhere in the GOA. The public had several suggestions about specific data or issues that should be fully discussed in the SEIS process.

Rationalization Alternative

Of the various alternatives that were discussed, generally cooperative management was mentioned as the alternative that was most likely to achieve the desired goals of addressing Steller sea lion concerns and reducing the race for fish. One of the concerns raised about adopting IFQ style management was that it would likely be difficult to implement given the political opposition to rationalization for harvesters without processors. An additional concern was that the allocation of small amounts of quota share to individual vessels may make it difficult to economically fish.

Both fishermen were concerned that the use of a two-pie management system would undermine their ability to maintain competitiveness. There was opposition to this form of management. One audience member felt that this form of management was not needed. The public noted that groundfish, cod in particular, is a perishable product and vessels will be making frequent deliveries to the nearshore markets and it is unlikely that vessels will be delivering to more distant locations. One individual noted that if processors are concerned about vessels converting to catcher/processors and processing their own catch, that can be addressed by preventing them from doing so in regulation.

Generally, there was limited support for regional landing requirements. There was concern about the ability to manage a program that allocated quota to specific communities. One individual noted that defining who would be eligible would be difficult to determine. Additionally, the public noted that it could be difficult to administer and manage small allocations to individual communities. One concern raised was that the value of these individual community quotas would be too small to provide an adequate return. The public noted that many of the goals of maintaining an economically viable community can be addressed by designing a rationalization program that addressed the economic concerns of the fisheries. The State managed Pacific cod fishery was noted as an example of a fishery that has already provided benefits to communities, although indirectly by limiting access to smaller vessels. One individual noted that modifying the existing State Pacific cod fishery could address some of these community concerns by providing additional access for small boat fishermen who are not involved in a rationalized fishery.

A number of concerns were raised about how to address management of the catcher/processor (C/P) sector under a rationalization alternative. One individual noted that a C/P representative is not part of the GOA Work Group formed by the Council to examine rationalization. One individual noted that the C/P sector’s concerns are different than those in the catcher vessel (CV) sector. In particular, that the existing allocation between the C/P and CV sector in Pacific cod would not be necessary under a rationalization program that allocated catch history. One individual noted that allocations of bycatch, in

particular halibut, in a cooperative form of management is appropriate for the C/P sector because the bycatch rate in the C/P sector is well-established, whereas this rate is less well established in the CV sector. A concern was raised that aggregating bycatch between the CV and C/P sectors would disadvantage the C/P fleet. This individual also noted that fishing patterns in the C/P fleet differ from that in the CV fleet and should be considered when developing any rationalization program.

One individual noted that “gear conversion” or other incentives that can shift the harvest of groundfish resources from trawl to pot and longline gear should be reviewed carefully since this could disrupt existing fishing patterns and preempt certain gear types from productive grounds.

License Limitation Alternative

The public did not seem to favor modifying the LLP as a means to address the concerns about current fisheries management. Some felt that the LLP in Southeast Alaska would be difficult to modify since many individuals received an LLP for incidental cod harvest in the IFQ halibut and sablefish fisheries. One individual noted that restricting the LLP in Southeast Alaska may prove difficult given the large numbers of individuals with limited landings. Additionally, one individual noted that most groundfish fisheries in Southeast Alaska are conducted inside State waters.

Issues:

One key issue raised for further analysis included the need to analyze the potential effects of a rationalization alternative on the C/P fleet in comparison to the CV fleet in the Pacific cod, rockfish, and flatfish fisheries. A second issue that was recommended was to look at alternative means to initially allocate quota or fishing catch history in underutilized fisheries (e.g., some flatfish and rockfish fisheries). In particular, one individual recommended looking at establishing an auction mechanism as an alternative to allocating QS based strictly on the catch history of participants.

Seattle
Public Scoping Hearing – Draft
October 1, 2002
Doubletree Hotel, Sea-Tac

Public Attendance: Seventeen members of the public attended plus five staff from the NMFS Alaska Region and the North Pacific Fishery Management Council.

Meeting Representation: The public attending included representatives from a wide range of professional associations. Representatives from major processing, fishing, and governmental entities within the GOA region also attended, as well as a wholesale seafood purchaser from Seattle. Many of these individuals were also attending the North Pacific Fishery Management Council meeting.

Major Themes: The main issues of concern addressed by the public included the following:

Proposed Action:

There was strong support for rationalization by a wide range of members of the public. Many of the individuals present cited the range of concerns that have been raised in many of the previous public scoping meetings to support rationalization. This included the need to address concerns about the changes in fisheries management that have come as a result of the Steller sea lion litigation and the inability to adapt to changes in management economically.

Scope:

The public supported the scope of the rationalization alternatives as presented from the GOA Work Group which includes all the groundfish fisheries not currently allocated to a rationalization program West of the 140 degree longitude line. This was consistent with past recommendations during other public scoping hearings. The public did not specifically address dividing management of different regions of the GOA for purposes of creating a different management system in each region.

Alternatives:

NMFS staff reviewed some of the potential alternatives that have been suggested, including: rights-based management programs such as individual fishing quotas (IFQs); cooperatives similar to those established under the AFA; “two-pie” management with linked IFQ and processor quota shares (IPQs), and mechanisms that might regionalize the catch of groundfish species. The staff also reviewed potential modifications to the license limitation program (LLP), and status quo management. Staff invited the public to suggest other alternatives, or hybrid alternatives that should be considered as well.

General Comments

Generally, there was strong support to move toward a rights-based management alternative in groundfish fisheries in the GOA. The public had several suggestions about specific data or issues that should be fully discussed in the SEIS process. One individual noted that the SEIS should focus on considering

legally viable options and noted that the IFQ moratorium has expired so that alternative should be considered.

Rationalization Alternative

Of the various alternatives that were discussed, generally cooperative management was mentioned as the alternative that was most likely to achieve the desired goals of addressing Steller sea lion concerns and reducing the race for fish. Support for this approach came from a variety of sources, but there was strong support among the catcher/processor (C/P) fleet representatives present. A concern raised about the use of IFQ style management was that it would likely be difficult to implement a program that would allocate small QS to individual vessels as might be the case with a number of the rockfish and flatfish species. One individual noted that IFQs have had many positive benefits on profitability based on his personal experience. Several individuals, particularly those in the C/P sector felt that cooperative management was much superior given its inherent ability to allow QS to be consolidated among vessels to provide more economical and easily administered QS units. Cooperative management was particularly favored for the management of bycatch and PSC managed species by the C/P sector.

Generally, there was limited support for regional landing requirements and mixed views on whether communities should be explicitly addressed in a rationalization program. There was concern about the ability to manage a program that allocated quota to specific communities. Additionally, the public noted that it could be difficult to administer and manage small allocations to individual communities. Those present from the C/P sector stated that the current inshore/offshore allocations of Pacific cod favored communities and additional allocations to communities from the C/P sector were not necessary. One individual noted that given the small TAC's of rockfish species in the GOA that direct allocations should not be made to communities since it would disadvantage C/P vessels. One individual recommended looking at the Canadian Groundfish Development Authority as an example of allocating QS to communities. One individual noted that the historic processing history of communities should be considered in either a direct allocation to communities or as a regional landing requirement.

A number of concerns were raised about how to address management of the catcher/processor (C/P) sector under a rationalization alternative. One individual noted that a C/P representative is not part of the GOA Work Group formed by the Council to examine rationalization. One individual noted that the C/P sector's concerns are different than those in the catcher vessel (CV) sector. A concern was raised that aggregating bycatch between the CV and C/P sectors would disadvantage the C/P fleet. One individual noted that the C/P sector may be adequately homogeneous to allow them to craft their own rationalization alternative.

The "two-pie" alternative was controversial. One individual noted that PQS would disadvantage fishermen and would require arbitration in order to negotiate prices. This individual was also concerned about the possible disadvantage to fishermen that could occur if only one processor holds QS in a region at the end of a fishing season without a negotiated price. One individual noted that the analysis used in the crab rationalization EIS was insufficient. In particular, this individual noted that the economic analysis of sunk capital costs by processors as a reason for allocating PQS was unclear. This individual suggested expanded analysis on the extent of harvester vs. processor investment in the fishery, and that assertions about relative bargaining power among harvesters and processors needed more qualitative analysis. This individual also noted that there should be improved analysis on the sharing of revenue between harvesters and processors over time. One individual noted that the effects of the IFQ program on processors should be more carefully examined as well. One processor representative present stated

that processors should be given credit for past participation and supported PQS.

One individual noted that rationalization should seek to optimize market opportunities by providing a consistent fresh product throughout the year, and to “inventory” fish by leaving them in the water rather than harvesting fish quickly in large quantities. This is a concern particularly for the rockfish markets.

One individual also noted that if QS is allocated that harvests made by trawl vessels in the Southeast Outside (SEO) area should be transferable to West Yakutat since SEO has been closed to trawling in recent years.

License Limitation Alternative

The public did not favor modifying the LLP as a means to address the concerns about current fisheries management. One C/P representative noted that there are relatively few boats now and reducing numbers even further will not improve the viability of the fleet. Another individual noted that LLP modification would not improve the ability of fleets to remain competitive. One individual noted that if fisheries are rationalized and require the appropriate LLP licenses, some vessels may be disadvantaged because those vessels purchased several licenses in order to continue fishing.

Issues:

Key issues for analysis included: (1) expanding the analysis of the effects of “two-pie” management as described earlier; and (2) examining the impact of rationalization on observer coverage, fee-assessment, and allocation among vessels. In particular, one individual recommended looking at combining the analysis of GOA rationalization with the analysis on observer modifications currently being undertaken by NMFS.

Anchorage
Public Scoping Hearing – Draft
October 25, 2002
Hilton Anchorage

Public Attendance: Five members of the public attended plus one staff member of the North Pacific Fishery Management Council.

Meeting Representation: The public attending this meeting represented several tribal governments throughout the State of Alaska, including representatives from tribal governments in Unga (Sand Point) Tribal Council, Iliamna Village Council, and the Kodiak Area Native Association. Prior to this scoping hearing, letters were sent to tribal governments throughout the state of Alaska to solicit additional input from tribal governments and assist NMFS in fulfilling its obligation under Executive Order 13175 to consult with tribal governments. However, this meeting was open to any member of the public.

Major Themes: The main issues of concern addressed by the public included the following:

Proposed Action:

There was mixed support for the idea of rationalizing GOA groundfish fisheries. While some individuals felt that rationalization could provide a more stable fishery for tribal residents, there was general concern that rationalization could limit the ability for smaller vessels typically used by tribal members to participate in groundfish fisheries.

Scope:

The public present did not explicitly address the scope of the proposed action. One individual noted that if fisheries are rationalized, then those fisheries that are currently underutilized should also be allocated in some fashion that provides opportunities for small-boat fishermen who are tribal members.

Alternatives:

NMFS staff reviewed some of the potential alternatives that have been suggested, including: rights-based management programs such as individual fishing quotas (IFQs); cooperatives similar to those established under the AFA; “two-pie” management with linked IFQ and processor quota shares (IPQs), and mechanisms that might regionalize the catch of groundfish species. The staff also reviewed potential modifications to the license limitation program (LLP), and status quo management. Staff invited the public to suggest other alternatives, or hybrid alternatives that should be considered as well.

General Comments

Those present were most concerned that any rationalization program needed to provide explicit opportunities for tribal fishermen. The majority of comments centered around the concern that rationalization could favor larger vessels and would not provide adequate opportunities for tribal fishermen to continue moving from fishery to fishery. Concerns were also raised about the effects of

consolidation on crew member employment, opportunities for younger residents of communities, and the inability of tribal residents in rural communities to effectively obtain funding for purchasing QS. One tribal member also noted that allocations of QS to tribal or rural residents has traditionally resulted in tribal or rural residents selling their QS if financial conditions are difficult, making it very difficult for individuals to reenter a fishery.

One individual also noted that in some vessels owned and operated by tribal members are doing better now than in the past, and allocations of QS to these fishermen based on historic participation would have put them at a disadvantage.

Rationalization Alternative

Although there was not specific support for a particular rationalization alternative, there was support for providing a specific allocation to tribal governments of any quota based program, if one is adopted. An allocation to tribal governments was favored because those present felt that a tribal government is best suited to respond to the needs and concerns of tribal members. Some members of the public stated that tribal governments are likely to be concerned about providing employment opportunities and is designed to take care of tribal members, whereas, city or borough governments may benefit economically from QS allocations even if employment among community residents is not a primary goal. One individual recommended that the SEIS examine the effect of the Chignik salmon cooperative on crew member employment as an example of the potential effects of the consolidation that may occur under a rationalization program.

The “two-pie” alternative was strongly opposed. Those present were concerned about the precedent set by the felt that the allocation of PQS would severely disadvantage tribal fishermen in price negotiation. One individual stated that issuing PQS seems to be contrary to the goals of fishery management. Others were concerned that if processors are issued PQS they will be able to cooperate in ways that would “squeeze out” local fishermen in communities. One individual noted that regulations control, where, when, and how an individual can fish, but restricting where a fishermen can sell his catch was not appropriate. One individual also noted that rationalization should provide an opportunity for custom processing of fish since this was an effective way to allow income from small fishery quotas and issuing PQS would limit the ability to custom process. This individual also noted that if fishery quotas decrease and there is lower overall processing, custom processing is likely to increase. There was a general concern that the limited range of shares allocated to vessels in the crab rationalization without associated processor QS (A shares) would be too small to allow the development of independent processing given the potential competition with larger processors that would receive processor QS.

License Limitation Alternative

The public did not specifically address modifying the LLP as an alternative.

Issues:

The public expressed concern about general issues about government-to-government relations with NMFS. In particular, the tribal entities requested additional efforts from NMFS to establish effective communication with tribal entities, designate a contact person within the Alaska Region, and more fully incorporate comments from tribal members and governments in fishery management decisions and in scientific assessments. One individual recommended working with regional tribal entities.

Appendix B: Written Public Scoping Comment Summary

Comment 1:

Defined rationalization as rights-based management.
Offered minor suggestions to amend the Council's Problem Statements and Objectives.
Noted that the Central GOA should be rationalized even if other areas are not.
Favored comprehensive rationalization of all fishery species.
Recommended including Target and Non-Target species in a rationalization program, particularly for the purposes of managing halibut bycatch.
Stated that there will be improved conservation by improving recovery rates, reducing discards, and stated that a separate regulatory process could be used to add new conservation measures to the fishery.
Resolving community protection measures will be difficult.

Comment 1A (Same commenter as 1)

Reviewed community protection measures considered by GOA Work Group.
Noted concerns and detailed difficulties in allocating CDQ-like QS to communities in the GOA.
Advocated the recognition of historical processors in a rationalization program.
Detailed mechanisms for reducing halibut mortality through the use of a bycatch cooperative and provided detailed economic data on the potential benefits of various rationalization programs.
Defined rationalization as either a cooperative or 'two-pie' management model.

Comment 2

Advocated rationalization using an AFA style cooperative.
Opposed the use of CDQ and allocations to skipper and crew.
Recommended allocating rockfish QS based on the best 3 out of 5 or 5 out of 7 qualifying years.

Comment 3

Opposed rationalization.
Advocated a "reforestation" plan that would require those profiting from fisheries to replenish or pay for their harvests.
Allow Native Tribes to receive bycatch.
Calculated the number of square miles that would be "revegetated" by allowing a rotational harvest of the permitted vessels.

Comment 4

Noted concerns and detailed difficulties in allocating CDQ-like QS to communities in the GOA.
Advocated the recognition of historical processors in a rationalization program.
Recommended that certain fisheries may be most appropriate to rationalize now including POP, and Pacific cod using 1995-2001 as qualifying years for QS allocation.

Separate rationalization will allow fisheries to be tailored to their needs.
Advocated incorporating conservation concerns as a separate measure that be applied after a rationalization program were approved.
Noted that it is vital to consider community protection through landing requirements, but not through direct QS allocation.

Comment 5

Raised concerns about the economic viability of CDQ style allocations in the GOA and its effect on existing interests in the fisheries.
Allocation of IPQs would undermine the ability of harvesters to remain competitive.
Agreed that conservation concerns needed to be addressed, but should be done through a separate process. Concerned about the effect of additional measures on the analysis and the ability to adequately address those issues.

Comment 6

Concern expressed by a vessel owner about the implications of GOA rationalization on their vessel which holds LLPs from a previous vessel and a C/P.
Vessel owner noted the extensive history of this vessel in the Pacific cod fishery.

Comment 7

Advocated rationalization to address pressing economic conditions.
Opposed the use of CDQ and allocations to communities as uneconomical.
Recommended recognizing the historic role of processors, but found the concept of allocating IPQs as unsettling.
Recommended that certain fisheries may be most appropriate to rationalize now.
Believed that all gear types in a given area should be rationalized at the same time.
Advocated incorporating conservation concerns as a separate measure that be applied after a rationalization program were approved.
Stated that bycatch caps for trawl vessels should be addressed by the Council no through the SEIS.

Comment 8

Advocated rationalization to address pressing economic conditions.
Recommended rationalizing all areas and sectors at the same time.
Suggested only recent history in the allocation of QS.
Noted that the best 2 or 3 years would better represent actual fishing or processing history.
Qualifying years should be the same for processors and harvesters.
Allow vessels to deliver only to those processors for which they have history.
Gear conversion from trawl to fixed gear is not a conservation issue and should be left out of the process.

Comment 9

Supported rationalization in a comprehensive fashion to avoid “spillover” effects to other fisheries, and advocated considering BSAI fisheries not currently managed under a rationalization program.
Recommended the allocation of catch history to a cooperative which may be used independently or in a

cooperative for the C/P sector.
Opposed the application of CFTs, GDAs, or other community protections to the C/P sector for fully exploited species. Provides some concepts for addressing these proposals for underutilized species
Recommended a provision to allow transfer on C/P QS to the CV sector.
Submitted a detailed proposal which is tailored to the Elements and Options currently being developed by the GOA Work Group.

Comment 10

Expressed neutrality on whether GOA groundfish fisheries should be rationalized.
Concerned about the potential effects of rationalization on coastal communities, suggested LLP reduction or “fair start” provisions could address some of these concerns.
If rationalization occurs, recommends inclusion of all species to avoid ‘spillover’ effects.
Presents three models for community allocations CFTs, TURFs, and GDAs. The potential benefits and disadvantages of these approaches is addressed.
Supports the inclusion of skipper and crew shares for purposes of analysis.
Noted that IPQs appear to disadvantage communities. Expressed concern about analysis supporting processor concerns about stranded capital.
Did not recommend cooperative management unless community protections are explicitly provided.
Not certain that the GOA Work Group recommendations are adequate for analysis and recommended that the public scoping period ought to have been extended until the GOA Work Group completed their task.

Comment 11

Advocated rationalization, and recommended several alternatives for analysis.
First preference was for the allocation of IFQs to address pressing economic concerns in the fishery.
Second option was for a closed processing class in conjunction with an IFQ program. Qualifying years would be the last 3 of 5 years. A suboption to sunset this limited processing licence was recommended.
Third option was for a small processing entity protection mechanism that would guarantee a certain minimum amount of processing rights to smaller processors.
The commenter noted the extensive economic involvement of his processing company in the Kodiak region.
Concerned about the potential economic advantage that IPQs may confer to larger processing entities.

Comment 12

Recommended proceeding with rationalization as quickly as possible.
Noted that rationalization could address a wide range of environmental concerns and provide increased benefits to fishermen and communities.

Comment 13

Recommended maintaining existing IFQ fisheries with status quo management.
Recommended that the alternatives should carefully follow the Council’s problem statement and not be concerned primarily with reallocation.

“Timely resolution” should be an objective added to the Council Objectives.
Evaluate the alternatives based on their legality and noted that NOAA GC expressed concerns about the legality of some landing provisions in the Crab Rationalization EIS.
Add “compatibility” as an Objective.
Recommended a cooperative for the WGOA C/P sector.
Recommended an expansion of the GOA Work Group’s LLP alternative.
Recommended that quality and efficiency be fully considered in the alternatives being developed.
Opposed limiting CDQ participation in the GOA rationalization alternatives.
Submitted a detailed proposal previously send to the GOA Work Group.

Comment 14

Commented on the membership in the GOA Work Group as having inadequately considered the C/P sector.
Commented on the historical basis for the inshore/offshore Pacific cod allocations and raised concerns that this allocation may not be ‘rational’ in the sense of the goals of this proposed action.
Recommended basing rationalization on vessel designation.
Recommended basing catch history on retained catch but noted its effect on the C/P sector.
Provided an example on the BSAI multi-species CDQ program as a concern about small TAC allocations to individual vessels and noted that the same condition could result in the GOA if QS is individually allocated.
Raised concern about SEO trawl closure.
Opposed analysis comparing “Alaskan” to “Outside” entities in the SEIS.
Raised concerns about the Problem Statement and the Objectives.
Noted that the structure of a rationalization program will be affected by the particular goals of the participants.
Provided detailed comments on the potential structure of a halibut PSC cooperative as a mechanism to allocate QS among participants.
Provided extensive detail on the structure of such a cooperative program for trawl and fixed gear vessels.
Expressed concerns about QS programs that they do not provide adequate flexibility without a cooperative structure.
Recommended rationalization via PSC-based cooperatives.
Recommended the range of alternatives that have already been recommended through the various public scoping hearings.
Provided additional element and options for incorporation in the GOA Work Group product.
Attached two letters providing additional detail on concerns in the C/P sector and various elements and options.

Comment 15

Provided a background on the history of Pacific cod fishing in the Cordova region and the effects of the current management boundaries on harvests in the region. Expressed concern that the TAC is frequently taken in more easterly regions of Area 630 prior to adequate spawning and fishing concentrations in the Cordova region.
Proposed the creation of a separate area in the PWS region that would have a separate allocation to allow access for local fishermen.
The region would open with the IFQ halibut and sablefish season to minimize potential halibut bycatch during other portions of the season.

Comment 16

Recommended analysis of IFQs as an alternative.

Recommended analysis of a closed class of processors with a suboption to phase out this closed class over a specified period of years.

Recommended analyzing an alternative that limited the allocation to the closed class of processors.

Opposes the use of IPQs.

If IPQs are considered, then the SEIS should include in the analysis options that limit vertical migration of IPQs, including options that prohibit joint ownership of vessels and IPQ.

Recommended analyzing the potential effects of IPQs on a small class of processors, the number of harvesters, foreign ownership, ownership use caps, and other factors related to limiting ownership.

Comment 17

Defined rationalization for this process.

Provided detailed description as to why rationalization is necessary.

Explains and advocates QS management in the GOA as a means to address a range of economic and environmental concerns in the fisheries.

Noted that cooperatives may provide the most flexible and adaptable alternative for management particularly to address PSC management.

Noted the potential conservation benefits that may result from cooperative management by lowering bycatch.

Advocated that IPQs will address the concerns of processors to maximize the potential benefits in the fishery.

Recommended establishing a review mechanism to ensure regular adjustments to the program.

Noted that allocations to communities in the GOA is unworkable given the small TAC available in the GOA.

Noted that rationalization is justified.